

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
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**FILED**

FEB 22 2005

**IN THE MATTER OF THE APPLICATION OF  
INDIANA MICHIGAN POWER COMPANY FOR  
APPROVAL OF A NEW FUEL COST  
ADJUSTMENT CHARGE FOR ELECTRIC  
SERVICE APPLICABLE FOR THE BILLING  
MONTHS OF APRIL THROUGH  
SEPTEMBER 2005.**

**INDIANA UTILITY  
REGULATORY COMMISSION  
CAUSE NO. 38702-FAC54**

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

This Cause is scheduled for hearing on Thursday, March 10, 2005. The Commission issued questions to Petitioner and has received the answers. There are follow-up questions to those answers. Therefore, the Presiding Officers now find that Petitioner should submit answers to the following questions by Thursday, March 3, 2005:

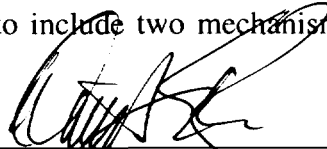
1. For each month of the reconciliation period, please provide your calculated highest on-system fuel cost and the resulting purchase power benchmark as calculated in accordance with the commission's order in Cause No. 41363.

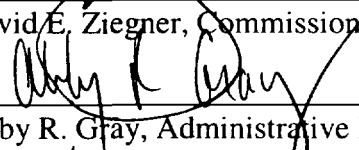
a. Identify any power purchases above the benchmark for the reconciliation months of June through November 2004.

2. Please explain a breakdown of the type (i.e. congestion, losses, etc.) and amount of the cost components included in the "fuel cost component of balancing energy" included in the Company's FAC 54 filing.

3. Given that transmission losses are financially settled in the PJM market and this compensation is allocated by MLR to the AEP System Pool members, and the inclusion of energy losses on schedules 12 & 15 effectively provides a means to recover the financial costs of transmission losses, please explain the rationale for the decision to include two mechanisms to recover the financial costs of transmission losses.

**IT IS SO ORDERED.**

  
David E. Ziegner, Commissioner

  
Abby R. Gray, Administrative Law Judge

Date February 22, 2005